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NEW PUBLICATION RELATING TO U. S. FOREIGN AGRICULTURAL TRADE

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West Africa's Fats and Oils Industry. FAS-M 62. 42 pp.

World Exports of Fats and Oils at Record High in 1959. Foreign Agriculture Circular FFO 22-59. 98 pp.

U. K. TOBACCO IMPORTS DOWN A LITTLE

The United Kingdom imported a total of 91.4 million pounds of tobacco during the period January-June 1959--2 percent less than for the first half of 1958.

Commonwealth countries accounted for 73.8 percent of the January-June 1959 imports, compared with 65.7 percent a year earlier. Much larger takings from Canada and India this year (mainly flue-cured) more than offset a drop in purchases from the Federation of Rhodesia and Nyasaland.

The United States supplied 24.4 percent of this year's imports, compared with 30.9 percent for January-June 1958. Flue-cured tobacco accounted for about 90 percent of imports from the United States in the January-June 1959 period.

TOBACCO, UNMANUFACTURED: United Kingdom imports by country of origin, January-June 1958 and 1959

Country of origin	January-June 1958		January-June 1959	
	Quantity	Percent of grand total	Quantity	Percent of grand total
	1,000 pounds	Percent	1,000 pounds	Percent
Commonwealth:				
Rhodesias-Nyasaland...	14,208	15.2	12,772	14.0
India...	25,973	27.8	28,519	31.2
Canada...	19,931	21.3	25,261	27.6
Other...	1,300	1.4	885	1.0
Total...	61,412	65.7	67,437	73.8
Foreign:				
United States...	28,916	30.9	22,261	24.4
Turkey...	710	0.8	95	0.1
Greece...	427	0.5	121	0.1
Italy...	613	0.6	---	---
Other...	1,413	1.5	1,447	1.6
Total...	32,079	34.3	23,924	26.2
Grand total...	93,491	100.0	91,361	100.0

Source: Basic data from Tobacco Intelligence (London) August 1959.

GREEK TOBACCO EXPORTS
SHOW SLIGHT DECLINE

Greek exports of unmanufactured tobacco, at 40 million pounds for January-June 1959 were 2.4 percent less than in the first half of 1958. Increases in trade with Italy, West Germany, Belgium, Finland, Hungary, and Portugal were more than offset by drops in exports to the United States and the Soviet Union.

The United States, with purchases of 8.8 million pounds, was the largest market for Greek leaf in the first 6 months of 1959. But these U.S. purchases were 36 percent below the 13.8 million for January-June 1958. West Germany, with 8.7 million pounds, was the second-largest market for Greek leaf in the first half of 1959.

TOBACCO UNMANUFACTURED: Greece, exports by countries of destination, January-June 1957-59

Destination	January-June		
	1957	1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds
United States	11,771	13,830	8,776
Germany, West	15,809	7,671	8,719
Germany, East	1,064	948	790
Soviet Union	6,748	5,700	2,665
Hungary	2,180	---	1,005
Poland	551	816	682
Czechoslovakia	967	773	212
United Kingdom	52	21	118
Austria	4,846	2,892	2,549
Finland	1,373	1,417	2,445
Italy	3,884	3,329	6,395
Belgium	2,586	621	1,464
Switzerland	774	---	353
Egypt	3,607	334	83
Portugal	889	1,164	1,837
Other	3,526	1,481	1,893
Total	60,627	40,997	39,986

Tobacco Intelligence, London

UGANDA TO ENCOURAGE TOBACCO PRODUCTION FOR EXPORT

The Uganda Government plans to expand tobacco production for export as part of an overall plan to reduce the protectorate's dependence on its major export crops of cotton and coffee. Uganda now produces about 6 million pounds of tobacco annually--mainly for domestic consumption.

To implement its plan for tobacco, the government invited a tobacco company to survey marketing possibilities. The company's findings indicated that the quality of Uganda leaf would have to be improved considerably to secure any sizable export markets. The government has therefore already started to reorganize tobacco production, marketing, and grading.

WEST GERMANY LICENSES IMPORTS OF FROZEN VEGETABLES AND BERRIES

Prolonged dry weather has reduced the supply of fresh vegetables in West Germany. To augment supplies, Germany has issued global licenses to import frozen peas, green beans, spinach, and berries, excluding strawberries. Licenses will be issued until the undisclosed value is reached but not later than March 31, 1960.

LARGE GREEK RAISIN PACK FORECAST

The 1959 Greek raisin pack is now officially forecast at 72,000 short tons. This is nearly 53 percent more than the 47,000-ton 1958 pack, but only 2,000 tons above the 1957 crop. Greek trade circles, however, predict the pack will be smaller than officially forecast, mainly because of dry weather during the growing season. But they report that quality is better this year than in 1958 because of the dry season.

RAISINS: Greece, supply and distribution of 1958 and 1959 crops

Item	1958	Forecast 1959
	Short tons	Short tons
Production	47,000	72,000
Carryover, beginning September 1	0	0
Total supply	47,000	72,000
Exports	43,500	60,000
Domestic consumption	3,500	12,000
Carryover, August 31	0	0
Total distribution	47,000	72,000

RAISINS: Greece, exports by country of destination, 1957-58 and 1958-59 1/, marketing season beginning Sept. 1

Destination	1957-58	1958-59 1/
	Short tons	Short tons
Germany, West	23,423	15,125
U.S.S.R.	5,220	7,219
France	2,756	3,297
Japan	982	2,940
Austria	3,169	2,325
Finland	2,665	1,796
United Kingdom	10,756	1,718
Germany, East	1,129	1,433
Norway	1,541	1,141
Egypt	260	1,045
Italy	3,960	1,018
Yugoslavia	396	732
Netherlands	1,940	591
Ireland	3,039	588
Switzerland	812	366
United States	---	346
Czechoslovakia	33	297
Poland	6	215
Iceland	226	207
Sweden	366	169
Belgium-Luxembourg	1,044	159
Denmark	153	160
Other countries 2/	431	518
Total	64,307	43,405

1/ 11 months only -- Sept. 1958 through July 1959.
2/ Includes over 25 different countries.

Export sales of the 1959 crop are slow at present. Greek growers and exporters are said to be concerned about the lack of demand for the lower raisin grades.

Prices have been fluctuating around the "security" level set by the government. Export prices the last week in September, c.i.f. London, were as follows: Grade No. 0, 15.8 cents per pound; No. 1, 15.4 cents; No. 2, 14.1 cents, and No. 4, 13.6 cents.

GREEK DRIED FIG PRODUCTION UP THIS YEAR

Greek dried fig production for 1959 is forecast at 29,000 short tons. This is a 2,000-ton decrease from 1958, but still above the 28,400-ton average for 1952-56.

DRIED FIGS: Greece, supply and distribution of 1958 and 1958 crops

Item	1958	Forecast 1959
	Short tons	Short tons
Production	31,000	29,000
Carryover, September 1	0	0
Total supply	31,000	29,000
Exports	1/ 16,000	17,000
Domestic consumption	15,000	12,000
Carryover, August 31	0	0
Total	31,000	29,000

1/ Exports through July 31, 1959, amounted to 15,471 short tons.

Qualitywise, this year's Greek dried fig pack is reported as excellent. Scattered rains during the drying stages caused no large-scale damage. According to Greek standards, about 20 percent of the 1959 pack is Grade A; 40 percent is Grade B; and 40 percent is Grade C. Greek fig sizes are reported larger than usual. A pound of Grade A figs normally runs 30 to 35 figs; this year there are about 22 to 27 figs per pound. The Greeks consider Grade A figs suitable for the U. S. market.

Nonmarketable dried figs, in early September, were estimated at about 4,000 tons, compared with 8,000 tons in 1958.

Quoted prices early this season for "U. S. Grade" figs, c.o.f. New York, ranged between 12.25 and 12.75 cents per pound, compared with 12.25 to 13.50 cents last season. But as the season has progressed, prices have fallen to as low as 11.25 cents per pound recently. Opening prices for Grade B were about $270 per short ton, c.i.f. Hamburg. However, they have since dropped to $237 per short ton.

Greek export statistics show that shipments of 1958-crop figs to the United States (from Sept. 1, 1958, through July 31, 1959) amounted to 2,081 short tons.

Sykiki has indicated that its new fig paste plant will start trial processing in late October. The United Kingdom has shown an interest in Greek fig paste. Sykiki also hopes to enter the U. S. market, but Greek trade circles expect it to proceed very cautiously in its market development.

WEST GERMANY TO FULLY LIBERALIZE HONEY IMPORTS JANUARY 1, 1960

West German imports of honey will be fully liberalized on January 1, 1960. Since August 1958, imports from countries outside the Organization for European Economic Cooperation (OEEC) have been made on an open tender basis; there have been no value or quantity limitations, but the quantities involved have had to be registered.

The U.S. ships more honey to Germany than to any other area--close to 14 million pounds in 1958. During that year, West Germany imported about 76 million pounds from all sources. Mexico and Argentina are the other major suppliers. Honey imports this year from non-OEEC sources are believed to have already exceeded West Germany's normal import needs.

1959 GREEK DRIED CURRANT PACK DOWN

Greek dried currant production for 1959 is now estimated at 90,000 short tons, below the 94,000 tons in 1958. Average production (1951-55) is 85,000 tons.

CURRANTS: Greece, supply and distribution of 1958 and 1959 crops

	1958	1959 1/
	Short tons	Short tons
Production	94,000	90.000
Carryover, September 1	700	1,000
Total supply	94,700	91,000
Exports	71,000	71,000
Domestic consumption	22,700	20,000
Carryover August 31	1,000	.
Total distribution	94,700	91,000

1/ Preliminary.

Rains on September 6 and 7 throughout the Vostizza area in the northwestern Peloponnesus damaged about 3,000 tons of dried currants. These will now be used for wine making.

About 80 percent of the Greek currant crop had been harvested and dried before the rain. The quality of this year's crop is reportedly very good, especially in areas that usually produce the lower qualities.

Total currant exports during the 1958-59 marketing season were about 71,000 short tons, or 1,650 tons below the 1957-58 exports, and 6,500 tons above the 5 year average (1953-54 through 1957-58). The United Kingdom is by far the most important market for Greek currants, followed by the Netherlands. The United States imported considerably more currants in 1958-59 than since prewar years.

CURRANTS: Greece, exports by country of destination for 1957-58 and 1958-59, marketing year beginning September 1

Country of destination	September 1 to August 31	
	1957-58	1958-59
	Short tons	Short tons
United Kingdom	52,982	50,824
Netherlands	9,871	9,592
Germany, West	3,834	3,838
United States	21	1,578
Ireland	1,707	1,536
U.S.S.R.	1,216	1,102
Germany, East	711	744
France	621	474
Sweden	201	171
Japan	112	166
Denmark	187	152
Norway	180	139
Austria	123	137
Belgium	139	105
Italy	74	104
Switzerland	98	86
Finland	137	19
Other countries	444	284
Total	72,658	71,051

Source: Autonomous Currant Organization.

Greek currant exporters are not optimistic about 1959-60 export possibilities. Export prices, c.i.f. United Kingdom, quoted by production regions for the last week in September 1958 and 1959 are:

Regions	Sept. 27, 1958	Sept. 26, 1959
	U.S. cents per lb.	
Calamata	13.9	12.3
Pyrgos	14.2	12.6-12.8
Amalias	14.1	12.6-12.8
Patras	14.4	12.8
Vostizza	16.5	14.2-14.4
Gulf	---	13.6

MORE COCOA FROM TOGO
EXPORTED IN 1958

French Togo's 1958 cocoa exports were more than double those in 1957. They rose from 3,100 metric tons to 6,917 tons. The increase is attributed to Togo's good crop, the high price of cocoa on the world market, and clandestine cocoa imports from Ghana that were reexported from the port of Lome.

Although Togo's coffee exports in 1958 declined in value and volume, cocoa and coffee exports together accounted for 63 percent of total export earnings last year, compared with 56 percent in 1957.

AFRICAN CATTLE DRIVE THROUGH
WILD ANIMAL RESERVE SUCCESSFUL

Tanganyika Veterinary Department officers and Wagogo herdsmen recently drove 400 steers and 6 Boran breeding bulls 400 miles to relieve a severe shortage of cattle and beef in Nachingwea, Southern Province. The drive, which took 5 weeks, started from Kelosa, Eastern Province, and passed through the sparsely inhabited Selous Game Reserve. Only 2 animals were lost.

Herdsmen not only had to contend with wild animals, but the prevalence of tsetse flies necessitated frequent spraying of the cattle, as well as inolulation.

The drive opens new possibilities for increasing cattle holdings in the Southern Province, which has only about 23,000 cattle in an area of about 56,000 square miles. Many inhabitants have never tasted fresh milk and have always lacked enough meat.

MEXICO SETS NEW
CATTLE EXPORT QUOTA

Mexico has set new export quotas for beef and cattle shipped to the United States during the year beginning September 1, 1959. The new quotas are 380,000 head of live cattle and the beef equivalent of 320,000 head.

These quotas will tend to limit marketings of northern Mexican cattle in the United States and to prevent shortages of supplies for Mexican consumers in cities to the south.

U.S. imports from Mexico during 1958 totaled 488,000 cattle and 74 million pounds of beef. Export quotas on cattle and beef reduced the movement across the border during May-July 1959, and the new quotas are expected to restrict the movement during the remainder of 1959. Nevertheless, U.S. imports in the first 8 months of 1959 were 280,000 head of cattle and 37 million pounds of beef. Most of the imports of beef were frozen and boneless. The cattle were mostly feeder steers.

U.S. IMPORTS OF ICELANDIC LAMB AND MUTTON UP

U.S. imports of lamb from Iceland jumped to 1,092,000 pounds during the first 7 months of 1959 from 557,000 pounds in the same period of 1958. Mutton imports, however, dropped from 146,000 pounds to 93,000.

Iceland, which exported 1.1 million pounds of lamb to this country in 1958, plans to exceed that figure in 1960. It produced about 152.5 million pounds of mutton and lamb during 1958. Of this, about 5 percent, or 7.1 million pounds was exported, mostly to the United Kingdom.

DUTCH TRANSSHIPMENTS OF SOUTH AMERICAN WOOL TO SINO-SOVIET BLOC DWINDLE

Transshipments of Uruguayan wool by the Netherlands to the Sino-Soviet Bloc dwindled during the first half of 1959. Although transshipments of Argentine wool were larger than in 1958, they were considerably below the 1957 level.

The Bloc countries (mainly the U.S.S.R.) are now doing most of their buying direct. An increasing number of Soviet ships carrying grain and other commodities to South America are returning with wool and other cargo. The Netherlands has also lost some of its transit trade to Sweden and other transshipment points.

WOOL: 1/ Netherlands transshipments from Uruguay and Argentina to Sino-Soviet Bloc countries, annual 1957 and 1958, and January-June 1959

Country of destination	Uruguay			Argentina		
	1957	1958	1959 2/	1957	1958	1959 2/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
China, Mainland	1,371	2,879	351	---	---	---
Czechoslovakia	---	22	---	---	---	---
Hungary	---	392	---	---	---	---
Poland	1,808	---	---	1,171	22	---
Rumania	---	22	---	---	---	---
U.S.S.R.	17,291	17,165	509	3,646	---	476
Total	20,470	20,480	860	4,817	22	476

1/ Includes fine hair, waste, and artificial wool.
2/ January-June only.

Source: Central Bureau of Statistics.

AUSTRALIAN BEEF SHIPMENTS TO U.S. IN SEPTEMBER

Three ships left Australia in September with 958,720 pounds of frozen beef for U.S. West Coast ports and 403,200 for the East Coast.

Ship	Sailing date	Destination	Quantity in pounds
Ellen Bakke	September 4	Los Angeles	284,480
		Portland	11,200
			56,000
Torian	September 8	Boston	403,200
Monterey	September 18	Los Angeles	228,480
		San Francisco	378,560

Four additional ships were scheduled to depart from Australia with the following quantities of frozen beef for the United States and Canada. Exact destinations are not available.

Ship	Sailing date	Quantity (tentative) in pounds
Devon	September 22	398,720
Norfolk	September 22	4,553,920
Napier Star	September 26	78,400
Port Lincoln	October 8	22,400

CUBA IMPORTS MORE POTATOES

In addition to its first import quota of 300,000 bags of potatoes, Cuba authorized importation of another 160,000 bags of table potatoes on September 25. One-third of this last quota will be distributed among various public institutions.

U.S. RICE EXPORTS IN AUGUST INCREASE OVER YEAR AGO

U.S. rice exports during August were 2,060,000 cwt.--about 45 percent more than in August 1958. Shipments to Asia accounted for 47 percent of the exports, with Indonesia taking 29 percent, and Ceylon 13 percent.

The largest increase was in shipments to Africa, principally to Egypt. Asia and the Western Hemisphere also showed sizable increases.

No rough rice was exported during August 1959.

RICE: United States exports by country of destination, August 1958 and 1959 1/

Country of destination	August 1958			August 1959		
	75% and over broken	Less than: 75% broken	Total	75% and over broken	Less than: 75% broken	Total
	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.	Cwt.
Western Hemisphere:						
Canada	1,220	7,184	8,404	1,197	15,572	16,769
Bahamas	0	659	659	0	5,959	5,959
British Honduras	0	500	500	0	6,000	6,000
Cuba	0	238,977	238,977	0	309,177	309,177
El Salvador	0	0	0	0	9,997	9,997
Guatemala	0	0	0	0	3,497	3,497
Haiti	0	2,533	2,533	0	650	650
Honduras	0	6,096	6,096	0	3,000	3,000
Mexico	0	38	38	1,902	388	2,290
Netherlands Antilles	0	4,317	4,317	0	3,828	3,828
Nicaragua	0	23,126	23,126	0	0	0
Argentina	0	0	0	0	2,240	2,240
Chile	0	79	79	0	7,531	7,531
Other countries	0	3,382	3,382	0	1,630	1,630
Total	1,220	286,891	288,111	3,099	369,469	372,568
Europe:						
Belgium-Luxembourg	3,360	19,069	22,429	47,335	5,917	53,252
Denmark	0	1,680	1,680	0	1,880	1,880
Greece	0	4,785	4,785	0	2,000	2,000
West Germany	0	104,370	104,370	24,911	0	24,911
Netherlands	0	15,680	15,680	3,307	19,912	23,219
Sweden	0	3,428	3,428	0	1,458	1,458
Switzerland	0	11,169	11,169	0	0	0
United Kingdom	2,210	15,108	2/ 19,502	8,720	25,780	34,500
Other countries	560	224	784	1,000	200	1,200
Total	6,130	175,513	2/183,827	85,273	57,147	142,420
Asia:						
Aden	0	0	0	0	1,102	1,102
Ceylon	0	0	0	0	274,800	274,800
Indonesia	0	89,030	89,030	0	600,657	600,657
Pakistan	0	0	0	0	94,080	94,080
Philippines	88,184	396,579	484,763	0	0	0
Saudi Arabia	0	1,000	1,000	0	3,087	3,087
Other countries	0	8,205	8,205	0	1,672	1,672
Total	88,184	494,814	582,998	0	975,398	975,398
Africa:						
Egypt	0	0	0	0	446,880	446,880
French West Africa	0	0	0	0	22,038	22,038
Ghana	0	209	209	0	3,461	3,461
Liberia	0	55,491	55,491	0	76,247	76,247
Nigeria	0	0	0	0	3,775	3,775
Other countries	0	4,050	3/ 4,245	0	4,551	4,551
Total	0	59,750	3/59,945	0	556,952	556,952
Trust territory of the Pacific	0	6,895	6,895	0	0	0
Destination not specified	0	1,711	1,711	0	463	463
Section 416 donations	0	650	650	0	12,000	12,000
World total	95,534	1,026,224	1,124,137	88,372	1,971,429	2,059,801

1/ Preliminary. 2/ Includes 3,360 cwt. of rough rice converted to terms of milled at 65 percent.
3/ Includes 300 cwt. of rough rice, converted at 65 percent.

Source: Bureau of the Census.

WESTERN EUROPEAN POTATO CROP SHORT

Dry weather in the northern countries of Europe has caused a reduction of 66 million cwt. in the 1959 table potato crop, according to trade sources.

These sources indicate a reduction of 10 to 20 percent in the potato crops of the Netherlands, Belgium, Denmark, France, Norway, and Sweden. Italy's fall crop is down, but the summer crop was large. West German production is about the same as last year, but the United Kingdom and Ireland may show an increase.

There is less blight this year and storage losses may be less than last year. Nearly all of these countries are short of livestock feed and there will be heavy demand for potatoes. Also, potato starch production is expected to be well below that of recent years.

Because of their plant quarantine regulations, most European countries embargo potatoes from North America.

CANADIAN WHEAT AND FLOUR EXPORTS BELOW LAST YEAR

Canadian wheat and flour exports during July-August 1959 were 43 million bushels, compared with 52 million bushels in July-August 1958. This was a decline of approximately 17 percent.

Wheat exports to Western Hemisphere countries increased 700,000 bushels--mostly as a result of larger exports to Venezuela and shipment of 808,000 bushels to Colombia, which took none in the same months of 1958. Exports to the United States were down more than 250,000 bushels.

Exports to Europe dropped 30 percent. Shipments to the United Kingdom declined approximately 3.7 million bushels. Exports to the Netherlands, Belgium-Luxembourg, and Switzerland also were reduced. However, exports to West Germany were up somewhat.

Shipments to India were 708,000 bushels larger than the year before; and Pakistan and the Philippines took more than a million bushels in July-August 1959, compared with practically none the year before. On the other hand, exports to Japan were much less than in 1958 and there were no shipments to Communist China, compared with 1.6 million a year earlier.

Flour exports were slightly below those in 1958. The United Kingdom--the major outlet for Canadian flour--took about 300,000 bushels less than in 1958. Exports to Venezuela were also down, but shipments to Japan and the Philippines were larger.

Wheat and flour exports during the first 2 months (August-September) of the 1959-60 Canadian marketing year are preliminarily estimated to be slightly below the 45 million bushels exported in the same period of 1958-59.

WHEAT AND FLOUR: Canadian exports by country of destination
July-August 1958 and July-August 1959

Destination	July-August 1958			July-August 1959		
	Wheat	Flour 1/	Total	Wheat	Flour 1/	Total
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
Western Hemisphere:						
United States	335	237	572	75	212	287
British West Indies	4	805	809	1	664	665
Central America	52	304	356	53	346	399
Colombia	--	35	35	808	1	809
Peru	597	8	605	456	2	458
Venezuela	424	326	750	643	1	644
Others	204	429	633	289	325	614
Total	1,616	2,144	3,760	2,325	1,551	3,876
Europe:						
Belgium-Luxembourg	2,792	116	2,908	1,600	--	1,600
Germany, West	2,060	--	2,060	3,180	--	3,180
Netherlands	4,773	3	4,776	1,987	2/	1,987
Switzerland	3,090	--	3,090	1,671	--	1,671
United Kingdom	15,245	2,145	17,390	11,549	1,887	13,436
Others	2,112	22	2,134	1,038	28	1,066
Total	30,072	2,286	32,358	21,025	1,915	22,940
Asia:						
China, Mainland	1,643	--	1,643	--	--	--
India	1,105	--	1,105	1,823	--	1,823
Japan	10,016	23	10,039	8,675	237	8,912
Pakistan	--	--	--	982	--	982
Philippines	2/	279	279	216	368	584
Others	909	707	1,616	1,348	1,107	2,455
Total	13,673	1,009	14,682	13,044	1,712	14,756
Africa	75	381	456	910	577	1,487
Oceania	--	2	2	--	2	2
Unspecified 3/	284	--	284	377	--	377
World total	45,720	5,822	51,542	37,681	5,757	43,438

1/ Grain equivalent. 2/ Less than 500 bushels. 3/ Includes seed wheat.

Board of Grain Commissioners for Canada.

THAILAND'S RICE CROP PROSPECTS GOOD

Thailand's 1959-60 rice crop is now expected to reach about 7.5 million metric tons of rough rice if weather continues favorable. The 1958-59 crop was 7.1 million tons. Rainfall up to late September was adequate, and the crop condition good.

As now estimated, the crop will yield a surplus for export in 1960 of around 1.3 to 1.4 million tons of milled rice. Old-crop carryover--depending on the volume exported in the remainder of 1959--will probably raise the amount available for export to some extent.

Rice exports continued sluggish well into the third quarter. July and August exports were 77,400 and 71,100 tons, respectively, a decline of 24 percent from the July-August average in 1958. Data for September are not yet available.

Third-quarter prices for all grades of rice except glutinous were below 1958 levels. Better grades were marked down only moderately, but other grades, especially brokens, were sharply lower.

EL SALVADOR'S NEW MILK-PROCESSING PLANT NOW IN OPERATION

A new milk-processing plant near San Miguel, El Salvador, began operation during the first week of September. This is the country's first milk-processing plant equipped to produce powdered milk.

Built at an estimated cost of about $750,000, the plant will handle approximately 15,000 liters (15,850 quarts) of pasteurized milk per day. The pasteurized milk will be bottled in one-half liter (pint) containers, for sale to consumers at 25 centavos (10 U.S. cents) each.

All powdered milk produced at the plant will be bought by the government for use in a nutritional improvement program. In addition to milk powder, the plant is expected to produce butter and cheese in the near future.

TURKEY INCREASES PRICE SUPPORTS FOR GRAINS

Turkey's guaranteed grain prices for 1959-60 are about 25 percent higher than those in 1958-59.

Under the country's support system, producers are guaranteed flour prices for grain of top quality delivered to TOPRAK--the government's Soils Products Office. There is also a schedule of discounts for grains not up to top-quality standards. However, farmers do not have to sell to TOPRAK; if they can get better prices in the open market, they are free to sell to private traders.

To induce farmers to deliver to TOPRAK rather than sell privately, TOPRAK recently announced that this year it will pay transport costs from local purchasing offices to central collection points. This cost has formerly been deducted from the price paid to the farmer. As a result of the change, the producer this season receives an additional 15 to 50 Turkish liras (1 lira equals 11.1 cents) for each metric ton delivered.

GRAIN: Turkey, support prices, 1958-59 and 1959-60

Grain	1958-59		1959-60	
	Liras 1/ per metric ton	Dollars per metric ton	Liras 1/ per metric ton	Dollars per metric ton
Wheat:				
Hard	450	49.89	550	60.98
Soft	400	44.35	500	55.43
Rye	320	35.55	420	46.56
Barley:				
White	310	34.37	390	43.24
Dark	320	35.48	360	39.91
Oats:				
White	310	34.37	390	43.24
Dark	310	34.37	360	39.91

1/ The official exchange rate is 9.02 Turkish liras to the U. S. dollar, 1 lira equals 11.1 cents.

TOPRAK operates many purchasing stations throughout the country and has a monopoly over grain imports and exports. It is also responsible for handling, storage, transportation, and distribution of government-owned grains to meet both urban and military requirements, and the needs of deficit-producing areas. In recent years it has built an extensive system of grain elevators and has acquired much modern cleaning, grading, and handling equipment.

Since its price supports are higher than world market prices, Turkey can be a factor in the export market only to the extent that it is willing to subsidize exports.

In recent years, Turkey has had small surpluses of hard wheat and malting barley, but shortages of soft wheat and feed barley. Export losses are financed by the Turkish Central Bank out of government funds. Prospects are for little if any exports of wheat this year and only moderate exports of other grains.

BRITAIN TROUBLED BY MOUNTING EGG SURPLUS

To discourage the overproduction of eggs, the British Government has reduced the guaranteed price for eggs by almost the maximum permissible under existing legislation.

Despite the lower prices, over 40,000 new producers registered with the Egg Marketing Board in the year ending June 30, 1959. Eggs are reaching packing stations at the rate of 1.4 million dozen per week in excess of last year's figure. Last year the egg price-guarantee cost the government about $85 million.

In the past 2 years, per capita consumption of eggs in Britain has risen by about 20 percent. This is partially due to a $3-million yearly advertising program carried on by the Marketing Board. Consumption per person is still below U. S. and Canadian levels. Although the board feels that there is room for a further increase in consumption, it considers this a long-term solution to the surplus problem.

Current measures to dispose of the egg surplus include the manufacture of liquid frozen eggs and the sale of surplus eggs to bakers and confectioners. Last year some 25 million pounds were broken out and sold as liquid frozen eggs. This year an additional 22 million pounds will be handled in this manner.

U. K. SEEKS NEW SOURCES OF MEAT AS IMPORTS DROP

During the first 8 months of 1959, U. K. meat imports dropped rather sharply. Beef and veal imports were down 15 percent; fresh or frozen pork dropped 45 percent; and imports of bacon fell 3 percent. On the other hand, lamb and mutton imports rose 8 percent, while variety meats increased 6 percent.

Most of the reduction in beef and veal imports was due to sharp dips in exports from Argentina and New Zealand. To help counteract this decline, the United Kingdom took more meat from Australia and also turned to several small suppliers.

A drop of 27 percent in imports of chilled quarters accounted for most of the overall decrease in the 1959 meat imports through August. They made up 60 percent of the 8-month imports this year, compared with 70 percent last year. Imports of boneless beef, however, rose from about 60 million to 70 million pounds, and boneless veal imports rose from about 2½ million to 3½ million pounds.

Because of the decrease in supplies and continued strong demand, beef prices on London's Smithfield market are generally higher than they have been for some time. This may cause Australia and New Zealand to shift some of their export trade to the United Kingdom and away from North American markets.

New Zealand supplied about 80 percent of U. K. imports of lamb and mutton through August of this year--8 percent more than a year earlier. Imports of this type of meat from all countries consisted of 85 percent lamb and 15 percent mutton. Mutton and lamb prices are generally much lower than a year earlier. Consumer buying appears to be shifting away from mutton to other meats.

There was a decline in imports of bacon and other pork from nearly all sources except Denmark, which increased its exports 5 percent.

The rise in variety meat imports was highlighted by a 22-percent in frozen beef tongues, and a 30-percent increase in pork variety meats. Beef items made up over 40 percent of the total, lamb 20 percent, and pork 16 percent.

MEAT: United Kingdom imports, by country of origin, January-August 1958 and 1959, with percentage change

Item	January-August		Percentage change
	1958	1959	1958 to 1959
	1,000 lb.	1,000 lb.	Percent
Beef and veal:			
Australia	124,143	159,870	+29
New Zealand	15,729	3,874	-82
Argentina	448,311	299,603	-33
Others	8,289	41,031	+395
Total	596,472	504,378	-15
Mutton and lamb:			
Australia	54,575	58,369	+7
New Zealand	443,090	483,561	+9
Argentina	40,171	41,712	+4
Others	15,305	14,518	-5
Total	553,141	598,160	+8
Pork, fresh or frozen	27,781	15,370	45
Bacon:			
Irish Republic	41,162	27,960	-32
Sweden	14,538	11,919	-18
Denmark	341,922	359,008	+5
Poland	73,201	71,323	-3
Netherlands	40,791	24,231	-41
Others	6,582	10,505	+60
Total	518,196	504,946	-3
Variety and other meats	105,964	112,501	+6

WORLD WHEAT TRADE IN 1958-59 EXCEEDS EARLIER ESTIMATE

World wheat and flour trade in 1958-59 reached approximately 1,259 million bushels, according to preliminary tabulations of data compiled by the Foreign Agricultural Service. This is 69 million bushels above the final estimate of 1957-58 trade, but is about 71 million below the record high of 1,328 million in 1956-57.

The dominant features of last season's world trade were a marked decline in French exports, and a substantial increase in exports to non-Communist areas by the U.S.S.R.

French exports, which reached over 83 million bushels in 1957-58, fell to only about 39 million in 1958-59. Soviet wheat exports, meanwhile, are believed to have been the largest since World War I. Imports of Soviet wheat with non-Communist countries reached over 60 million bushels, compared with only about 16 million in 1957-58. As a result, Soviet wheat filled the gap left by the short supply of French wheat. In so doing, the Soviet wheat also cut sharply into markets which otherwise might have been met with U. S. and Canadian wheat.

The increases in world trade last year were absorbed primarily by India, Egypt, Brazil, the United Kingdom, France, and Yugoslavia. France was forced to import substantial quantities in order to maintain some of its traditional export markets.

U. S. COTTON EXPORTS LOWER IN AUGUST

U. S. exports of cotton (all types) in August 1959 were 101,000 bales of 500 pounds gross weight (98,000 running bales). This was a decline of 25 percent from July exports of 134,000 bales and was less than half the 215,000 bales exported in August 1958.

The low level of exports in the early weeks of the 1959-60 season may be attributed mainly to the fact that 1958-crop cotton in CCC stocks was not made available for sale until after August 1, and to the delayed movement into marketing channels of Choice A cotton from the 1959 crop.

Conditions are favorable for a substantial pickup in exports during the next few months. Stocks are low in foreign importing countries, consumption is increasing, prices on world import markets are stable and closely competitive at levels lower than last season, and production and stocks are down in most foreign exporting countries.

Registrations of cotton for export under the 1959-60 payment-in-kind program totaled 2,306,000 running bales as of October 2, 1959. U. S. exports in 1959-60 probably will be at least 5.5 million bales, compared with 2.8 million bales in 1958-59, and 5.7 million in 1957-58.

COTTON: United States exports of cotton by country of destination, averages 1935-39 and 1950-54, annual 1957 and 1958, August 1958 and 1959

(Bales of 500 pounds gross)

Country of destination	Year beginning August 1: Average 1935-39	Average 1950-54	1957	1958	August 1958	August 1959
	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales	1,000 bales
Austria	0	38	55	15	2	1
Belgium & Luxembourg	169	121	182	49	4	4
Denmark	33	29	26	8	1/	1/
Finland	35	13	19	13	1/	1/
France	662	431	367	199	38	6
Germany, West	511	382	623	103	17	5
Italy	442	379	572	154	13	7
Netherlands	107	127	113	21	2	1
Norway	17	14	13	1	0	1/
Poland & Danzig	180	1/	248	93	29	16
Portugal	36	7	24	12	0	0
Spain	108	142	217	297	15	0
Sweden	115	53	130	35	5	1
Switzerland	11	42	81	12	1	1
United Kingdom	1,346	434	709	210	15	7
Yugoslavia	17	86	115	151	1/	0
Other Europe	2/ 96	8	18	3	1/	3
Total Europe	3,885	2,306	3,512	1,376	141	52
Australia	9	31	67	40	4	1
Canada	301	311	277	89	4	2
Chile	9	24	35	3	1/	1/
Colombia	20	30	69	21	1	0
Cuba	11	19	46	9	1	1
French North Africa	3/	9	11	12	2	0
Hong Kong	3/	8	138	125	6	5
India	52	253	114	80	1	1/
Indonesia	3/	19	31	17	1	5
Israel	3/	12	18	12	1/	0
Japan	1,142	871	1,174	544	32	21
Korea, Republic of	3/	80	207	227	10	8
Philippines	2	9	59	97	1	0
Taiwan (Formosa)	3/	85	110	182	6	3
Union of South Africa	3/	6	37	15	3	1
Other countries	4/ 158	61	54	46	2	2
Total 500-lb. bales	5,589	4,134	5,959	2,895	215	101
Total running bales	5,300	3,977	5,717	2,790	209	98

1/ Less than 500 bales. 2/ Includes Czechoslovakia 65 and Norway 17. 3/ If any, included in other countries. 4/ Includes China 117, and French Indochina 22.

Compiled from official records of the Bureau of the Census.

U. S. COTTON LINTERS EXPORTS INCREASE

U.S. exports of cotton linters, mostly chemical qualities, were 38,000 bales (500 pounds gross) in August 1959. This was an increase of 27 percent from July exports of 30,000 bales, and almost triple the 13,000 bales exported in August 1958.

Destinations of August 1959 exports, with comparable 1958 figures in parentheses, were: West Germany 25,000 bales (6,000); United Kingdom 6,000 (1,000); Japan 5,000 (3,000); and Canada 2,000 (3,000).

U.S. GRASS AND LEGUME SEED AUGUST EXPORTS SLIGHTLY LESS THAN YEAR AGO

U.S. exports of grass and legume seeds amounted to 1,062,000 pounds in August, slightly less than a year ago. However, the July-August 1959 total was 2,449,000 pounds, compared with 2,276,000 pounds for the corresponding period last year.

Italy, Canada, Mexico, and France received the largest shipments in August.

GRASS AND LEGUME SEEDS: U.S. exports, August and July-August 1958 and 1959

Kind of seed	August		July 1-August 31	
	1958	1959	1958	1959
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds
Alfalfa, certified	61	193	273	269
Alfalfa, uncertified	59	63	209	427
Alfalfa, total	120	256	482	696
Alsike	29	21	51	68
Ladino	33	26	163	102
Clovers, other	110	182	138	280
Bentgrass	66	55	96	243
Fescue	176	120	259	192
Kentucky bluegrass	36	32	147	43
Orchard	0	1	0	34
Redtop	4	24	4	27
Timothy	188	22	341	22
Grasses, other	329	323	595	742
Total	1,091	1,062	2,276	2,449

GREECE EXPECTS SMALLER COTTON CROP

The 1959-60 cotton crop in Greece, now estimated at 271,000 bales (500 pounds gross), is 5 percent less than the 286,000 bales grown last season, and 7 percent below the record crop of 290,000 bales in 1957-58.

Cotton acreage is down 19 percent--from 402,000 acres in 1958-59 to 326,000 acres this year. Most of the reduction occurred on non-irrigated land. About 65 percent of the 1959-60 plantings were irrigated, against 57 percent last season.

The acreage decline is attributed mainly to adverse weather early in the season which caused growers to abandon acreage in some areas; relatively low prices received by producers in 1958-59 also were a factor.

Cotton exports from Greece reached a new high of 194,000 bales in 1958-59--up substantially from the 124,000 bales exported in 1957-58. The sharpest increase, in exports to Italy, reportedly was the result of a triangular deal under which Greek cotton was sent to Italy for processing and then shipped to Yugoslavia. There were also increases in shipments to most other countries importing Greek cotton. Communist Bloc countries received 21 percent of total exports in 1958-59, against 15 percent a year earlier.

Quantities exported to principal outlets in 1958-59, with comparable 1957-58 figures in parentheses, were: Italy 39,000 bales (2,000); France 31,000 (32,000); Yugoslavia 21,000 (26,000); Japan 20,000 (15,000); Poland 13,000 (2,000); Czechoslovakia 13,000 (2,000); Bulgaria 10,000 (7,000); U.S.S.R. 9,000 (5,000); Hungary 8,000 (3,000); and West Germany 7,000 (2,000).

Exports are expected to be somewhat lower this season due to reduced supplies. End-season cotton stocks of 29,000 bales on July 31, 1959, were less than half the beginning stocks of 66,000 bales.

Prices of Greek cotton on world import markets have been about steady in recent weeks. On October 8, c.i.f. quotations for Greek SM 1-1/16 inches cotton averaged 28.06 cents a pound on 3 major markets.

Cotton consumption totaled 129,000 bales in 1958-59--down slightly from 131,000 bales in 1957-58. Some increase is likely this season as interest in cotton goods appears to be strengthening.

Greece imported only about 1,000 bales of cotton in 1958-59, compared with an annual rate of about 20,000 bales in recent years. Most of the 1958-59 imports consisted of extra-long staple Egyptian cotton used for making specialty items.

1958-59 TRANSSHIPMENTS OF
MEXICAN COTTON UP

Transshipments of Mexican cotton through U. S. ports were 798,000 bales (500 pounds gross) during the first 11 months (August-June) of the 1958-59 season. This was an increase of 13 percent from 704,000 bales in the corresponding 1957-58 period.

Principal destinations in August-June 1958-59, with comparable 1957-58 figures in parentheses, were: Japan 158,000 bales (164,000); West Germany 154,000 (129,000); Italy 96,000 (34,000); the United Kingdom 84,000 (105,000); and Belgium 58,000 (76,000).

Transshipments in June 1959 were 36,000 bales, compared with 71,000 bales in May, and 18,000 bales in June 1958. The U. S. ports through which most of the June 1959 transshipments moved were: Brownsville 33,000 bales; Houston 1,000; and San Diego 1,000.

AUSTRIA LIKELY TO IMPORT MORE
U. S. COTTON IN 1959-60

Imports of U. S. cotton into Austria are expected to increase in the current season. Factors contributing to the expected increase from last season's reduced level include the now-competitive prices of U. S. cotton, the availability of about 7,000 bales (500 pounds gross) of U. S. cotton under a Public Law 480 agreement, and a $6-million Export-Import Bank credit for purchase of U. S. cotton. A probable increase in consumption and the need to replenish stocks should also stimulate total imports.

Imports from the United States in 1958-59, at 44,000 bales, were 51 percent below the record level of 89,000 bales in 1957-58. The U. S. share of the Austrian import market was 40 percent in 1958-59, compared with 74 percent in 1957-58. Total 1958-59 cotton imports into Austria were 109,000 bales--down 9 percent from 1957-58 peak imports of 120,000 bales.

Quantities imported from principal sources other than the United States in 1958-59, with comparable 1957-58 figures in parentheses, were: U.S.S.R. 13,000 bales (17,000); Peru 11,000 (1,000); Mexico 9,000 (83); British East Africa 9,000 (0); Egypt 4,000 (9,000); Syria 3,000 (1,000); Nicaragua 3,000 (427); and Turkey 2,000 (0).

Some increase in cotton consumption seems likely this season. Textile orders are increasing, employment is at a high level, and indications are that a larger share of consumer income will be spent on clothing and textiles. Austrian cotton consumption of 112,000 bales in 1958-59 was 6 percent below the 119,000 bales used in 1957-58, but 5 percent more than 1956-57 consumption of 107,000. Cotton stocks on July 31, 1959 were estimated at 26,000 bales, down 13 percent from opening stocks of 30,000 bales on August 1, 1958.

DUTCH COTTON CONSUMPTION AND IMPORTS
LITTLE CHANGED IN 1958-59

Cotton consumption of an estimated 327,000 bales (500 pounds gross) in the Netherlands during 1958-59 (August-July) was only slightly below the 331,000 bales used in 1957-58.

Although last season's general textile recession was felt in the Dutch textile industry to some extent, its effects were apparently less serious than in many other European countries. Lower domestic sales of cotton goods in 1958-59 were largely offset by increased exports.

The rate of cotton consumption has improved steadily since the spring of 1959, and the textile industry anticipates an active 1959-60 season.

Sales of cotton fabrics are increasing at the expense of manmade fibers on both domestic and export markets. This is attributed largely to highly perfected Dutch finishing techniques, along with continuing efforts to improve quality and keep abreast of the latest fashions in cotton goods.

In calendar year 1958, Dutch exports of cotton goods reached a record level of about 38,500 metric tons--up 8 percent from 35,700 tons in 1957. On the other hand, exports of rayon fiber declined from about 6,300 metric tons in 1957 to 6,000 tons in 1958. The bulk of textile exports from the Netherlands goes to European and African countries.

Cotton imports into the Netherlands during 1958-59 amounted to 318,000 bales (preliminary), up slightly from imports of 313,000 in 1957-58. As in most other foreign consuming countries, mill owners shifted many of their raw cotton purchases from the United States to lower-priced growths from other countries. The U.S. share of the Dutch cotton import market declined to 23,000 bales, or 7 percent of the total, compared with 97,000 bales, or 31 percent, in 1957-58.

Quantities imported from principal sources other than the United States in 1958-59, with comparable 1957-58 figures in parentheses, were: Mexico 100,000 bales (118,000); Nicaragua 49,000 (27,000); Peru 23,000 (16,000); Belgian Congo 21,000 (31,000); Tanganyika 16,000 (0); British East Africa 17,000 (2,000); Nigeria 14,000 (4,000); Sudan 9,000 (284); Turkey 6,000 (0); and Afghanistan 5,000 (0).

The improving textile situation probably will result in larger cotton imports this season, and the U.S. share of the Dutch market should increase in view of the now-competitive prices of U. S. cotton.

Cotton stocks were estimated at about 85,000 bales on July 31, 1959, a decline of 12 percent from beginning stocks of 97,000 bales on August 1, 1958.

ARGENTINA'S 1959-60 FLAXSEED ACREAGE DOWN SHARPLY

The second official estimate places Argentina's 1959-60 flaxseed plantings at 2,694,000 acres--down sharply from the 1958-59 comparable estimate of 3,262,000 acres and the final figure of 2,970,000 acres. This estimate is only slightly higher than the first official estimate (see Foreign Crops and Markets, October 5, 1959). Excessive rains during the planting season account for the smaller acreage this year.

INDIA INCREASES EXCISE DUTY REBATE ON CERTAIN EXPORTED VEGETABLE OILS

The Indian Government, aiming to stimulate exports of edible vegetable oils, on September 12 increased the rebate of excise duties on exported vegetable oils. With the exception of linseed, castor, and tobacco seed oils, on which exporters already were receiving in rebate the entire excise duty of 112 rupees per long ton (1.05 cents per pound), the rebate is now Rs 110 per long ton (1.03 cents per pound). Previously the rebate was Rs 104 per ton (0.97 cents per pound).

High domestic prices have prevented Indian exports of edible oils from reaching levels expected in the current marketing year, and the government hopes the reduced duty will enhance the competitive position of Indian oils in the world market.

PHILIPPINE COPRA EXPORTS IN SEPTEMBER HIGHEST SINCE AUGUST 1958

Philippine copra exports of 84,045 long tons in September were the highest monthly exports since August 1958 when 84,707 tons were shipped. January-September copra shipments totaled 425,145 tons, a decrease of one-fourth from the first 3 quarters of 1958.

Coconut oil shipments of 52,373 tons in the first 9 months of the year were also off one-fourth from the corresponding period last year.

Combined shipments of copra and coconut oil in January-September totaled 320,214 tons, against 431,814 tons in the same period last year.

Shipments of desiccated coconut in the first 9 months of the year were 39,397 short tons, 5 percent below the first 3 quarters of 1958.

The copra export price in mid-October was about $247.00 to $249.50 per long ton, f.o.b. Philippine ports. Local buying prices were reported at 48.00 to 49.00 pesos per 100 kilograms ($243.85 to $248.93 per long ton) resecada in Manila, and 35.00 to 45.50 ($177.81 to $231.15) in producing areas.

COPRA: Philippine Republic, exports by country of destination, September and January-September 1958 and 1959

Country of destination	September 1958 1/	September 1959 1/	January-September 1958 1/	January-September 1959 1/
	Long tons	Long tons	Long tons	Long tons
North America:				
United States	16,524	43,810	197,352	227,273
Pacific Coast	(16,524)	(43,810)	(197,352)	(227,273)
Canada	---	---	1,800	---
Panama	---	---	2,662	---
Panama Canal Zone	---	---	---	401
Total	16,524	43,810	201,814	227,674
South America:				
Colombia	---	750	33,053	750
Venezuela	---	4,798	12,219	16,711
Unspecified	---	2/ 4,700	---	2/ 7,950
Total	---	10,248	45,272	25,411
Europe:				
Belgium	1,000	---	9,500	1,500
Denmark	2,000	2,500	13,300	13,490
France	---	1,500	9,810	2,000
Germany, West	11,000	1,500	48,465	25,830
Italy	2,450	---	11,310	1,000
Netherlands	30,510	21,150	157,988	110,524
Norway	1,500	1,460	7,000	4,960
Spain	---	---	100	3,500
Sweden	2,000	---	23,565	5,500
Optional discharge 3/	1,000	1,652	34,852	2,031
Total	51,460	29,762	315,890	170,335
Asia:				
Israel	---	---	3,020	---
Japan	500	---	500	---
South Korea	---	225	---	225
Lebanon	1,000	---	4,200	---
Syria	---	---	---	1,500
Total	1,500	225	7,720	1,725
Grand total	69,484	84,045	570,696	425,145

1/ Preliminary. 2/ Includes 4,700 tons to Colombia/Venezuela optional discharge. 3/ West Germany, Netherlands, Belgium, or Denmark.

COCONUT OIL: Philippine Republic, exports by country of destination, September and January-September 1958 and 1959

Country of destination	September 1958 1/	September 1959 1/	January-September 1958 1/	January-September 1959 1/
	Long tons	Long tons	Long tons	Long tons
North America:				
United States	8,042	7,936	67,112	46,559
Atlantic Coast	(7,563)	(7,620)	(64,123)	(43,552)
Pacific Coast	(479)	(316)	(2,989)	(3,007)
Cuba	---	---	350	---
Total	8,042	7,936	67,462	46,559
Europe:				
Netherlands	---	---	4,814	5,814
Total	---	---	4,814	5,814
Grand total	8,042	7,936	72,276	52,373

1/ Preliminary.

Source: Philippine trade sources.

EGYPT EXPECTS SECOND LARGEST COTTON CROP ON RECORD

The 1959-60 cotton crop now being harvested in Egypt is expected to be the second largest on record. The first official government estimate, released October 9, places it at 2,074,000 bales (500 pounds gross).

On the basis of this estimate, the crop is 1 percent larger than 1958-59 production of 2,048,000 bales, and is 11 percent above the 1957-58 crop of 1,861,000 bales. It exceeds by 21 percent average production of 1,707,000 bales in the preceding 5 years and is the largest Egyptian crop on record except for the 1937-38 crop of 2,281,000 bales.

There is a substantial production increase this year in medium long staple Giza cotton, but a decline in production of extra long staples.

COTTON: Egypt, production by staple length and variety, final estimate 1958-59, and first estimate 1959-60

Staple length and principal varieties	1958-59	1959-60	Percent change
	1,000 bales 1/	1,000 bales 1/	Percent
Extra long staple, over 1-3/8": Karnak, Menoufi, and Giza 45	1,200	1,077	- 10
Medium long staple, over 1-1/4": Giza 30, 31, and 47	160	299	+ 87
Long staple, over 1-1/8": Ashmouni	640	650	+ 2
Subtotal	2,000	2,026	+ 1
Scarto (unclassified cotton)	48	48	0
Total	2,048	2,074	+ 1

1/ Bales of 500 pounds gross.

Source: Government of Egypt.

URUGUAY PLANTING MORE FLAXSEED

Uruguay's flaxseed acreage for the 1959-60 crop is expected to be around 345,000 acres, sharply above the 291,675 acres planted last year. Yields, however, are expected to be lower than in 1958-59 since plantings are later than normal because of intermittent rains.

Only 99,000 acres had been planted by the end of August, but were probably stepped up considerably in September, when weather improved. Some areas normally planted to wheat are expected to be planted to flaxseed this year. Seed dealers report that they have sold 20 percent more flaxseed for seed than last year.

During 1958-59, 2.8 million bushels of flaxseed were harvested, representing a yield of around 9.7 bushels per acre. About 2.5 million bushels will be crushed for oil and some 335,000 will be used for seed.

Linseed oil production in 1959 is estimated at 25,350 short tons. With stocks on January 1, 1959, at 8,070 tons, total supply for calendar 1959 was 33,420 tons. Local consumption was expected to increase this year. In addition to the 1,000 tons used for the manufacture of paints and varnishes, one of the largest soap manufacturers purchased 2,200 tons to use as a substitute for tallow in making laundry products.

By September 1, only 1,962 short tons of linseed oil had been exported this year. Exporters claimed that the export exchange rate was too low to cover production costs. As the government increased the export exchange rate on August 18, exports of linseed oil very likely will pick up. Some 9,900 tons of oil have been purchased for export and are expected to move out before the end of the year. Trade sources estimate that 8,800 tons of oil reported as having "disappeared" actually were taken across the border to Brazil, where higher prices prevailed.

MEXICO WILL NEED VEGETABLE OILS IN 1960

Mexico may need to import sizable quantities of edible oils in the spring and summer of 1960. If domestic consumption is to be maintained at present levels, a probable deficit of around 50,000 short tons will have to be filled by imports. This is far more oil than Mexico has imported in recent years.

(Continued on following page)

Imports in 1959 have been negligible because of governmental policy. Mexican stocks of oils have dropped sharply during 1959 and next December 31 are expected to be only one-half those of a year earlier. The major reason for large import needs is that cottonseed production in 1959 is down one-fourth from last year. Oil from domestic cottonseed normally supplies almost one-half of Mexico's edible oils needs.

EDIBLE OILS 1/: Mexico, estimated supply and disposition annual 1958 and 1959

Item	1958	1959 2/
	1,000 short tons	1,000 short tons
Supply:		
Stocks, January 1	59.9	68.0
Production	269.3	271.9
Imports	29.7	3/
Total supply	358.9	339.9
Disposition:		
Exports	---	---
Domestic disappearance	290.9	304.2
Stocks, December 31	68.0	35.7
Total disposition	358.9	339.9

1/ Includes cottonseed oil, sesame oil, coconut oil, palm oil, peanut oil, rapeseed oil, safflower oil, soybean oil, olive oil, and corn oil.
2/ Forecast.
3/ Small quantities of soybean oil may be imported later this year for use by the paint industry.

Compiled from official and other sources.

Around 25,000 tons of vegetable oils are consumed monthly. With oil stocks of only 37,500 tons on December 31, and stocks of oilseeds equivalent to around 96,500 tons of oil, the supply for 1960 will meet needs for only 5 months at the current consumption level. And since the bulk of Mexico's oilseeds is harvested in the fall months, there will be a considerable gap to be filled by imports before the 1960-crop oil is available for consumption. U.S. soybean oil may be purchased since Mexicans are apparently willing to substitute this oil. Of the 29,700 tons of oil imported in 1958, 19,850 tons were soybean oil.

OILSEEDS: Mexico, area and production by kind
annual 1958 and 1959

Oilseed	Area		Production	
	1958	1959 1/	1958	1959 1/
	1,000 acres	1,000 acres	1,000 short tons	1,000 short tons
Edible:				
Cottonseed	2,595.0	1,730.0	925.7	690.7
Sesame seed	495.0	518.0	132.3	143.3
Peanuts 2/	148.0	148.0	66.1	82.7
Rapeseed	3/	3/	8.8	8.8
Safflower seed	.5	7.4	.6	5.5
Soybeans	.7	6.2	.4	3.3
Total	3,239.2	2,409.6	1,133.9	934.3
Palm:				
Copra	148.0	158.0	101.4	120.2
Palm kernels	52.0	54.0	23.1	24.2
Total	200.0	212.0	124.5	144.4
Industrial:				
Flaxseed	32.1	39.5	13.2	17.6
Castor	29.7	29.7	8.3	8.8
Total	61.8	69.2	21.5	26.4
Total oilseeds	3,501.0	2,690.8	1,279.9	1,105.1

1/ Preliminary. 2/ Unshelled. 3/ Grown wild.

Compiled from official and other sources.

There were sharp rises in production of safflower seed and soybeans in 1959, and large increases are expected in 1960 because of the profitable returns from these crops this year.

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